



Department of Energy
Washington, DC 20585

September 28, 2000

MEMORANDUM FOR: ORGANIZATIONAL PROPERTY MANAGEMENT
OFFICERS

FROM: STEPHANIE F. WEAKLEY, ACTING DIRECTOR
OFFICE OF CONTRACT AND RESOURCE MANAGEMENT

SUBJECT: INTERNET SALES PROGRAM

In the past year, the Department has been working with the Savannah River Site (SRS) and the Idaho National Environmental Engineering Laboratory (INEEL) to test the viability of using Internet sites for the sales of surplus government property. Recently, the Savannah River Site completed a six-month pilot program using two commercially available Internet sites. While the INEEL continues to develop its in-house Internet application and we look forward to its viability, I am pleased to announce that the SRS experiment with commercial sites has been a success. The results clearly demonstrate that sales via the Internet are capable of generating better returns for many types of property while requiring less effort than conventional sales techniques. I encourage every site to examine the potential benefits of the Internet as a sales tool for surplus items to enhance your existing process.

Although we want to make the best possible use of this innovative tool, caution is required. One lesson from the pilot is very clear the World Wide Web is truly world wide, you will get responses literally from around the world. I ask that you maintain the same high level of vigilance with respect to the high risk issues for items offered on the Internet as you do for other disposals. You should note that SRS has as a precondition of sale a requirement that prospective buyers sign a disclosure form as well as export control notice. However, the fact that such forms are completed should not be a cause for relaxed vigilance. As in all Department of Energy (DOE) sales, careful consideration should be given to the past and potential use of excess property and the extent of controls available under any selected sale mechanism. SRS has been extremely careful to ensure that no High Risk equipment and materials have been offered for sale on the Internet. Please ensure that you have made all necessary reviews of items before offering them for sale. Without attempting to list all the issues, I want to especially caution you concerning export controlled property Trigger List, Munitions List and Dual Use List items.

To assist you in establishing an Internet Sales Program, the following supporting documents are available from Mr. Raam Vichare, (803) 557-4014, email raam.vichare@srs.gov or Mr. Dan Critchfield, (803)557-4976, email dan.critchfield@srs.gov.

1. Lessons Learned - these are highlights and major experiences from the pilot program.
2. Draft Procedure - the procedure used by SRS for their program for use as a reference in developing your own site procedure.
3. Internet Auction Guideline - a step by step "how to" guide for establishing your program.

In addition to these tools, Mr. Vichare has offered to conduct a Training Workshop for interested sites at the 2001 DOE/Contractor Personal Property Conference that is planned to be held in Albuquerque in February. Please advise John Carpenter at (202) 586-4157, if you are interested. Assuming we get enough positive responses to justify a workshop, we'll scheduled it and advise you of dates and other details.

Excess Operations Internet Auction

Approved by

Manager, Asset Management

Purpose

The purpose of this procedure is to establish administrative guidelines to sell surplus items by means of Internet Auctions.

Scope

This procedure applies to Asset Management Excess Operations.

Terms and Definitions

Internet Auctions- Auctions that are conducted through an online auction service and normally have a wide-ranging audience of diverse buyers.

Internet Auction items- Selected surplus items that may appeal to a large audience of diverse buyers, or other targeted audiences.

Responsibilities

Excess Operations Manager

The Excess Operations Manager (EOM) is responsible to:

- Develop and implement procedures for the effective operation of all assigned Excess Operations Warehouse Facilities.
- Oversee the work of the Excess Operations Warehouse Supervisors and other support staff assigned to the Excess Operations.
- Provide oversight to assure that these procedures and policies are implemented, maintained and followed.

Excess Operations Internet Auction

Excess Sales Coordinator

The Excess Sales Coordinator (ESC) is responsible for:

- Implementing the sales programs and procedures for the sale of all surplus property in Asset Management Excess Operations Facilities.
- Identifying and processing items for the appropriately selected sales.
- Interfacing with the Excess Operations Supervisor and Excess Disposition Coordinator to complete sales activities.
- Monitoring the effectiveness of the sales program and reporting to management.

Excess Operations Supervisor

The Excess Operations Supervisor (EOS) is responsible for:

- Ensuring the accountability and handling of items stored in assigned warehouses is in accordance with the requirements of the appropriate procedures.
- Overseeing the operation of assigned Excess Operations Warehouse Facilities.
- Assigning and overseeing the work of material receipts and handling personnel assigned to the Excess Operations Warehouse Facilities.

Excess Receipts Processor

The Excess Receipts Processor (ERP) is responsible for:

- The receipt and processing of all incoming excess items as directed by the Excess Operations Supervisor.

Excess Warehouse Processor

The Excess Warehouse Processor (EWP) is responsible for:

- The warehousing, preparation for sale and preparation for shipment of surplus items as directed by the Excess Operations Supervisor.

Excess Disposition Coordinator

Excess Operations Internet Auction

The Excess Disposition Coordinator (EDC) is responsible for:

- Contacting the successful bidder to obtain their shipping information.
- Generating the shipping documents.
- Interfacing with the Excess Operations Supervisor and the Excess Sales Coordinator to complete the sales activities.

Procedure

A. Item Selection for Internet Auction

Upon completion of the Screening Process, the items not selected by an authorized recipient (On-Site reuse, other DOE sites, Economic Development, other Federal agencies, State agencies or the Assets for Services Program) are reviewed for possible inclusion in an Internet Auction. Items selected are flagged for preparation and staging. The following criteria are used to assist in the selection process:

1. Items that are common or attractive to a wide range of diverse buyers.
2. Items that can easily be targeted to a specific audience.
3. Items that can be easily and cost effectively packaged and shipped.
4. Items may be new, used, working or non-working as long as it can be used, reconditioned or salvaged economically.

Note: Items may include:

- a) Consumer electronics.
- b) Computer peripherals. (excluding items that have media or memory storage capabilities)
- c) Office equipment.
- d) Office furniture.
- e) Photography, broadcast, audio and video equipment.
- f) Electrical, electrical distribution, industrial equipment with related supplies.
- g) Industrial equipment such as motors, pumps, valves and processing equipment.
- h) Lab equipment such as analyzers, separators, etc.

Items excluded from an Internet Auction:

- a) Items that have media or memory storage capabilities.
- b) Items that are export controlled.
- c) Items that are hazardous. (without express management approval)
- d) Items that the shipping and handling costs would make them cost prohibited.

B. Preparation and Staging

For an Internet Auction, those items that are selected will be prepared and staged in the following manner:

1. The Excess Sales Coordinator (ESC) will develop a list of items based on the criteria for an Internet Auction as identified in Section A above.

Excess Operations Internet Auction

2. The ESC will then prepare a Pick-List (Attachment A), labels (Attachment B), Sale Preparation Checklist (Attachment C) and sale folders for those items.
3. The ESC will provide the Pick-List, Labels and the Sale Preparation Checklist to the Excess Operations Supervisor (EOS).
Note: For Internet Auctions, the Sale Preparation Checklist requires an attached Internet Auction Item Preparation Checklist (Attachment D) with the following additional information for each item:
 - a) Obtain a digital picture of the item. (For item visibility on web site)
 - b) Obtain the weight and dimensions of the item. (For estimating shipping cost)
 - c) Note any additional information that may make the item more appealing to a bidder. (Brand name, model number, elaborates on condition and or end uses.)
4. The EOS will have the Excess Warehouse Processor (EWP) pick the item for preparation, label the item with the appropriate information and stage the items in the sale zone.
5. The EWP will complete the attached Internet Auction Item Preparation Checklist for each item.
6. The EWP will update the locations of the items in the Field Material Tracking System (FMTS).
7. The EOS and EWP will complete Sale Preparation Checklist.
8. The EOS will return the completed Sale Preparation Checklist, the Internet Auction Item Preparation Checklist and the Pick-List to the ESC.

C. Approval, Posting and Award

To prepare for an Internet Auction, the following actions are required.

1. The annotated Pick-List becomes an Internet Auction list.(Attachment A)
2. The ESC will select an Internet Auction Site for each item.(Attachment E)
3. The ESC will obtain an approval from the WSRC Classification Office for posting of the Internet Auction List items to the Internet using Document Approval Sheet (OSR 14-357) (Attachment F). The approved OSR 14-357 will be filed in the appropriate sale folder.
Note: Information that is to be released on public domains must be approved for release.
4. The ESC will obtain an approval from the WSRC Export Control Reviewer for the Internet Auction List of items using the Asset Management Export Control Log (Attachment G). A printed copy of the approval will be filed the appropriate auction folder.
Note: Items dispositioned to an off site recipient must be reviewed for export control and proliferation sensitivity restrictions before leaving the site.
5. The ESC or designee will enter all the pertinent item data into the selected Online Internet Auction Service database. This data usually contains:
 - a) **Detailed description**---This is a complete description of the item including information such as brand name, model number, size, and any other distinguishing characteristics of the item.
 - b) **Search key words**---Single words that identify the item and may help prospective bidders find the item during a search of an Auction Site.
 - c) **Condition**---This is where the working and physical condition of the item is described. (i.e. new, used, working or non-working)
 - d) **Photo**---This digital image provides a view of the item to bidder without making a physical visit.
 - e) **Asking price**---The price at which we intend to sell the item. If a bid has reached that level at the time of closing, we are required to sell the item.
 - f) **Minimum bid price**---The lowest opening bid allowed.

Excess Operations Internet Auction

- g) **Selling requirements**---This is where additional requirements to effect the sale are included such as the Citizenship Self-Certification and the Export Control and Proliferation Sensitive Property Acknowledgement.
 - h) **Shipping terms**---This is where shipping responsibilities are noted. (Free on board, cost and freight etc.)
 - i) **Payment terms**---This is where payment due is noted. (Payment in advance, payment on delivery, net 10 days etc.)
 - j) **Payment methods**---This is where acceptable forms of payment are noted. (Money order certified check, wire transfer etc.)
 - k) **Location**---The selling site location is included in this field.(Savannah River Site at Aiken, SC)
 - l) **Weight**---The physical weight of the item is included to assist determine the shipping cost.
 - m) **Other key information**---Other Information may be provided to enhance the items ability to sell.
6. The ESC will monitor all items for new bids, repostings, and closing auctions.
Note: The items with no bids or unacceptable bids normally have an option to be reposted to the same Auction Site at no additional cost.
7. Before the item closing date (usually the last day before closing) the ESC will review the items for the following:
- a) Identify items with bids that meet the asking price and that will be awarded.
 - b) Evaluate items with bids that do not meet the current asking price. For those bids that are determined to be acceptable, the asking price will be adjusted by the ESC to reflect the current bid price. This will allow the item to be awarded at auction closing.
 - c) Evaluate items with bids that do not meet the asking price and are not acceptable. These items have an option to be reposted, usually at no additional cost, after auction closing provided the asking price is reduced.
Note: Items that do not have successful bidders after reposting will be removed from the Auction Site and otherwise dispositioned.
8. The Online Internet Auction Service will notify the ESC that the item auction closed. The successful bidders name and contact information will be provided.
9. The ESC will contact the successful bidder and:
- a) Provide a Citizenship Self-Certification (CSC) form (Attachment H) and request it be completed and returned.
 - b) Provide an Export Control and Proliferation Sensitive Property Acknowledgement (ECA) form (Attachment I) and request it be completed and returned.
 - c) Provide item payment requirements.
 - d) Request shipping information.
10. The successful bidder will provide a properly completed CSC, a properly completed ECA, their payment and appropriate shipping information.
11. The ESC confirms receipt of payment and the proper completion of the required forms.(CSC and ECA)
12. The ESC will notify the EDC to prepare items for shipment.

D. Shipment to Successful Bidder

To successfully complete the Internet Auction process, the items will be shipped in the following manner:

- 1. The EDC will schedule the shipping arrangements and prepare the necessary shipping documents.
Note: A shipping order must be properly completed and Bill of Lading prepared.
- 2. The EDC will enter a Material Receipt (MR) in FMTS for the items.
- 3. The EDC will provide to the EOS the shipping order and the Bill of Lading for the items to be prepared.
- 4. The EWP will print the label for the item and prepare the item for shipment or pickup.

Excess Operations Internet Auction

5. The EWP will print the delivery ticket and closeout the MR in FMTS to remove the item from inventory.
6. The EWP will deliver the items for shipment to Shipping Operations.
Note: If the item is to be picked up by the customer, the EWP will move the item to the Pickup Staging Area.
7. The EOS will notify EDC that the delivery to the shipping department (or the load out to the bidder vehicle) is complete. This will complete the shipping process.
8. The EDC will notify ECS that items have been shipped.

Attachments

- A. Pick-List (typical)
- B. Label (typical)
- C. Sale Preparation Checklist (typical)
- D. Internet Auction Item Preparation Checklist (typical)
- E. Internet Auction Site Selection Sheet
- F. Document Approval Sheet (OSR 14-357)
- G. Asset Management Export Control Log
- H. Citizenship Self-Certification (typical)
- I. Export Control Acknowledgement (typical)

Records

Records generated by this procedure shall be processed in accordance with the WSRC Site-wide Records Inventory and Disposition Schedule (RIDS).

References

None

Excess Operations Internet Auction

Acronym Listing

EOM-- Excess Operations Manager

ESC-- Excess Sales Coordinator

EOS-- Excess Operations Supervisor

ERP-- Excess Receipts Processor

EWP-- Excess Warehouse Processor

EDC-- Excess Disposition Coordinator

FMTS-- Field Material Tracking System

CSC-- Citizenship Self-Certification

ECA-- Export Control and Proliferation Sensitive Property Acknowledgement

MR-- Material Receipt

Excess Operations Internet Auction

Attachment A

Pick-List

INTERNET AUCTION


Pick-List

N XSW								
Created Mat ID	Location	Keynoun	Adj	Description	Qty Unit	Price	Ext. Price	
7/18/2000 XSN071800-07	BPA			FSC7730 CC4 MITSUBISHI TELEVISION	1	\$4,960.00	\$4,960.00	
	U22 AA1			WITH STAND MODEL: AM3501R SN: AM35012692/CASE EL# K0024771□□□□□□LOCATION:				
					Initials	Picked <input type="checkbox"/>	Labeled <input type="checkbox"/>	Staged <input type="checkbox"/>
Summary for 'STORAGE_FACILITY' - (1 detail record)							Total	\$4,960.00
1 Total Records							Grand Total	\$4,960.00

Excess Operations Internet Auction

Attachment B

Label

INTERNET AUCTION	
	July 19, 2000
XSN071800-07	
Location: N XSW BPA U22 AA1	
Keynoun:	Adjective: TELEVISION
Description: FSC7730 CC4 MITSUBISHI TELEVISION WITH STAND MODEL: AM3501R SN: AM35012692/CASE ELI# K0024771LOCATION:	

Excess Operations Internet Auction**Page:****10 of 16**

Attachment C

Sale Preparation Checklist

A. Item Selection**Initials Date**

1. The ESC develops the sale list.		
2. The ESC identifies the type of sale.		
3. The ESC prepares the Pick-list, labels and a sale folder.		
4. The ESC provides the Pick-List, labels, the Sale Preparation Checklist and the Specific Sale Item Preparation Checklist to the EOS. (if applicable)		

B. Staging Preparation of Item.

1. The EOS has the EWP pick, label and stage the items in the sale zone.		
2. The EOS has the EWP complete the Specific Sale Item attachment. (if applicable)		
3. The EWP will update the locations of the items in the Field Material Tracking System (FMTS).		
4. The EOS will return the Sale Preparation Checklist, the attached Specific Sale Item Preparation Checklist (if applicable) and the Pick-List to the ESC.		

C. Internet Auction

1. The ESC will generate an Internet Auction List from the Pick-list		
2. The ESC will select an Internet Auction Site for each item		
3. The ESC will obtain an approval from the WSRC Classification OSR 14-357.		
4. The ESC will obtain an approval from the WSRC Export Control Reviewer.		
5. The ESC or designee will enter all the pertinent item data into the selected Online Internet Auction Service database.		
6. The Online Internet Auction Service will notify the ESC that the item auction closed. The successful bidders name and contact information will be provided.		
7. The ESC will contact the successful bidder and provide a Citizenship Self-Certification (CSC) form, an Export Control and Proliferation Sensitive Property Acknowledgement (ECA) form). Provide item payment requirements and request shipping information.		
8. Receive and verify the CSC, the ECA, and shipping information are properly completed and the payment has been received.		
9. The ESC will notify the EDC to prepare items for shipment.		

D. Shipping Process

1. The EDC will contact successful bidder for shipping instructions.		
2. The EDC will prepare the shipping order and Bill of Lading.		
3. The EDC will enter a MR in FMTS for the items.		
4. The EDC will provide the EOS a shipping order and a Bill of Lading for the item preparation of the shipment.		
5. The EWP will print the label for the item and prepare it for shipment/pickup, print the delivery ticket and closeout the MR in FMTS.		
6. The EWP deliver the items to be shipped to Shipping Operations. If the item is to be picked up by the customer, the EWP will move the shipment to the Pickup Staging Area.		
7. The EOS will notify EDC that the delivery to the shipping department/the load out to the bidder vehicle is complete.		
8. The EDC will notify the ECS that the items have been shipped.		

Excess Operations Internet Auction**Page:****11 of 16**

Attachment D

Internet Auction Item Preparation Checklist

Material ID#: _____ Location: _____

Size: _____ X _____ X _____ Weight: _____ Lbs.
Length Width Height

Digital Picture Taken: Yes9 No9 (check one) Label Applied: Yes9 No9 (check one)

Special handling or shipping information: _____
_____Additional information that may assist in the sale: _____

Prepared by: _____ Date: _____

Internet Auction Item Preparation Checklist

Material ID#: _____ Location: _____

Size: _____ X _____ X _____ Weight: _____ Lbs.
Length Width Height

Digital Picture Taken: Yes9 No9 (check one) Label Applied: Yes9 No9 (check one)

Special handling or shipping information: _____
_____Additional information that may assist in the sale: _____

Prepared by: _____ Date: _____

Excess Operations Internet Auction

Attachment E**Internet Auction Site Selection Sheet**

The Internet Auction Site Selection Sheet provides guidance in selecting the auction site that will attract the largest venue of buyers for a particular item. The various Internet Auction sites offer distinct advantages. These sites are presented in three primary categories for particular items or commodity types:

1. **Auction sites that specialize in selling everything/anything.** Small quantities or single items are the best candidates for these types of sites. They usually have thousands of items offered for auction. Items need to be relatively common and have good search keywords provided to assist in database searches. These sites often have large audiences with diverse backgrounds. (The bidders are normally users of the items for which they are bidding.) The seller usually has the ability to post the items with little or no help from the auction site personnel. These items normally receive large numbers of competitive bids. Selling costs are usually minimal.

Examples of Category 1 Auction sites:

www.ebay.com www.bid.com
www.ubid.com www.buy.com

Examples of Category 1 auction site items:

Consumer electronics
Computer peripherals
Office equipment
Photography, broadcast, audio and video equipment

2. **Auction sites that specialize in surplus items.** Large quantities, small quantities or single items fare well on these types of sites. The numbers of items that are offered on these sites are significantly fewer than that of the category 1 site. Items should be appealing to businesses. (The bidders normally use, resale or recondition and resale the items.) Very little, if any, help is normally required from Auction Site personnel to post the items. Although there may be fewer bids, the bids are normally higher. Selling costs are usually minimal.

Examples of Category 2 Auction sites:

www.tradeout.com

Examples of Category 2 auction site items:

Electrical and electrical distribution
Industrial equipment such as motors, pumps, valves and processing equipment.
Industrial equipment with related supplies
Lab equipment analyzers, separators, etc.

3. **Auction sites that specialize in selling large quantities or high value items.** The sites usually have fewer items listed, cater to a smaller audience of unique bidders with specialized expertise and often provide a staff of marketing personnel to assist with the transactions. Although the extra services normally necessitate higher selling costs, the increased returns more than offset those costs.

Examples of Category 3 Auction sites:

www.bid4assets.com www.freemarkets.com
www.tradesite.com www.fairmarket.com

Examples of Category 3 auction site items:

Cooling towers
Raw materials/metals
Large quantities of other category items

Excess Operations Internet Auction

Attachment F
Document Approval Sheet

OSR 14-357* (Rev 2-1-2000)

Westinghouse Savannah River Company
Document Approval Sheet

Title			Document No.	
Primary Author/Contact (Must be WSRC)			Requested Approval Date	
Location	Phone No.	Position	User ID	
Organization Code	Organization (No Abbreviations)			
Other Authors		Key Words (list 3)		
Has an invention disclosure, patent application or copyright application been submitted related to this information? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, date submitted _____				
Disclosure No. (If Known) _____ Title _____				
If no, do you intend to submit one? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, projected date _____				
Information Product Description				
<input type="checkbox"/> Technical Report				
<input type="checkbox"/> Semiannual <input type="checkbox"/> Annual <input type="checkbox"/> Final <input type="checkbox"/> Topical <input type="checkbox"/> Other _____				
<input type="checkbox"/> Administrative Report				
<input type="checkbox"/> Semiannual <input type="checkbox"/> Annual <input type="checkbox"/> Final <input type="checkbox"/> Topical <input type="checkbox"/> Other _____				
<input type="checkbox"/> Videotape/Multimedia				
<input type="checkbox"/> External Web Page URL _____				
<input type="checkbox"/> Brochure/Booklet				
<input type="checkbox"/> Procedure/User Guide				
<input type="checkbox"/> Drawing				
<input type="checkbox"/> Software Package (for submission to ESTSC)				
<input type="checkbox"/> Journal Article Journal Name _____				
<input type="checkbox"/> Book/Book Chapter Book Name _____				
<input type="checkbox"/> Conference Submission*				
<input type="checkbox"/> Abstract <input type="checkbox"/> Conf. Paper <input type="checkbox"/> Conf. Proceeding				
<input type="checkbox"/> Slides/poster/display <input type="checkbox"/> Other _____				
*Conference Title _____				
*Conference Location (City, State, Country) _____				
*Conference Dates _____ m/d/y thru _____ m/d/y				
*Conference Sponsor _____				
References <input type="checkbox"/> Approved for Release/Publicly Available <input type="checkbox"/> Included as Attachment(s) <input type="checkbox"/> Routing Concurrently <input type="checkbox"/> Other _____				
I understand that for the information in this material to be given external distribution, approvals by both WSRC and, as appropriate, DOE-SR are required. Distribution (verbally or published) must be in accordance with policies set forth in WSRC management requirements and procedures (MRP 3.25) and in DOE-SR orders, and the content of the external distribution must be limited to that actually approved.				
Author's Signature _____			Date _____	
Derivative Classifier		Classification	Topic	
Wesley Carter				
Intended Distribution		Explanation for Limited Dist.		
<input type="checkbox"/> Unlimited (release to public)		<input type="checkbox"/> Site Use Only <input type="checkbox"/> Corporate/University Partner		
<input type="checkbox"/> Limited (see explanation)		<input type="checkbox"/> Other DOE facility(ies) only <input type="checkbox"/> Other _____		
I understand and have considered whether any potential intellectual property rights (patents, copyrights, etc., in accordance with MP 1.09 and MRP 1.07) or any contractual barriers (CRADAs, Work for Others, etc.) may be involved before authorizing that this document be proposed for public release. If any concerns were identified, these have been discussed and resolved with General Counsel.				
Manager's Name (Print) _____			Manager's Signature _____	
			Date _____	
Classification Information (To be Completed by WSRC Classification Office)				
Classification (Check One for Each)				
Overall	<input type="checkbox"/> S <input type="checkbox"/> C <input type="checkbox"/> UCNi <input type="checkbox"/> U	<input type="checkbox"/> OPSEC Review		
Abstract	<input type="checkbox"/> S <input type="checkbox"/> C <input type="checkbox"/> UCNi <input type="checkbox"/> U	Classification Guide Topics		
Title	<input type="checkbox"/> S <input type="checkbox"/> C <input type="checkbox"/> UCNi <input type="checkbox"/> U			
WSRC Classification Officer's Name (Print)		WSRC Classification Officer's Signature		Date
Export Control Related		Limitations		
<input type="checkbox"/> Yes <input type="checkbox"/> No				
Export Control Reviewer's Name (Print)		Export Control Reviewer's Signature		Date
OSTI Subj. Category No.		Routing	Editor/Illustrator/On-line Support	MSD Project No.

Attachment H

Asset Management Export Control Log

Record No.: 01024

ECL Datasheet

Destination

Fence Lake, NM Jay Green

Description

Heavy Duty Extension Cord Reel Approved Per IS03may00

Review Type

Other (see comments)

Requestor

Tim Bowman

Request Date

06/26/2000

Requestor Comments

Internet sale Approved Per IS03may00

PO Number

Shipping No.

SRM 15241

EC Reviewer

BOWMAN, TIMOTHY A

Review Date

06/26/2000

Reviewer Comments

Approved Per IS03may00

Reviewer Approved > ☒

EC Officer

NICHOLS, DONNA E

ECO Date

06/26/2000

ECO Comments

ECO Status

APPROVED

Export Control Log

Excess Operations Internet Auction

Attachment H
Citizenship Self-Certification

CITIZENSHIP SELF-CERTIFICATION

Bid/Contract No. _____

PLEASE NOTE: Signature below signifies that the purchaser has read and understands the Export Control and Proliferation Sensitive Property Acknowledgment. This completed certification must be returned with your Bid.

CITIZENSHIP INFORMATION

In some instances, sales of U.S. government property or transfer of certain technical information may be subject to export control restrictions if the purchasers are themselves, or are acting on behalf of, foreign nationals. THIS DOES NOT MEAN THAT FOREIGN NATIONALS ARE PROHIBITED FROM PURCHASING GOVERNMENT PROPERTY OR FROM ACCEPTING GOVERNMENT SUBCONTRACTS. However, in order to determine what, if any, export controls apply, Westinghouse Savannah River Company (WSRC) needs the following information:

Are you a U. S. citizen? _____ Yes _____ No
(If No, provide country of citizenship _____)

Are you an Agent of a foreign country, business, or individual? _____ Yes _____ No
(If Yes, provide the name and nationality of the country/business/individual _____)

Signature

Date Acknowledged

Purchaser's Name and Company

Providing false information will void the sale and may subject the person making the false statement to criminal penalties.

Attachment I

Export Control

EXPORT CONTROL AND PROLIFERATION SENSITIVE PROPERTY ACKNOWLEDGMENT

EXPORT CONTROL

Personal property purchased from the U.S. Government may or may not be authorized for export from the U.S. to a foreign country. If export is allowed, the purchaser is solely responsible for obtaining all required clearances or approvals. The purchaser also is required to pass on this information and any other DOE-provided export control guidance if the property is resold (including domestic retransfers) or otherwise disposed.

The use, disposition, and export of the property is subject to all applicable U. S. laws and regulations, including the Atomic Energy Act of 1954, as amended; the Arms Export Control Act (22 USC 2751 et seq.); the Export Administration Act of 1979 (560 USC Append 2401 et seq.); DOE Regulations (10 CFR Part 810); International Traffic in Arms Regulations (22 CFR 120 et seq.); Export Administration Regulations (15 CFR 730 et seq.); Foreign Assets Control Regulations (31 CFR 500 et seq.); and the Espionage Act (37 USC 791 et seq.) which among other things prohibit:

- (a) The making of a false statement and concealment of any material information regarding the use or disposition, export or reexport of the property; and
- (b) Any use or disposition, export or reexport of the property which is not authorized in accordance with the provisions of this Agreement.

PROLIFERATION SENSITIVE PROPERTY ACKNOWLEDGMENT

In the event that proliferation sensitive property, as identified on the U. S. Munitions List (22 CFR 121) or the International Atomic Energy Agency Information Circular (INFCIRC) 254 Part 1 (the Trigger List), is inadvertently included in this sale, the purchaser agrees that the sale is void, and, if such property has been received by purchaser, that purchaser will return the property to DOE-Savannah River Operations. If payment has been made, the purchase price only shall be refunded to the purchaser.

ACKNOWLEDGMENT SIGNATURE _____

Guide for Internet Auctions

Guide for Internet Auctions

This guide is intended to provide a step-by-step overview to establish a Sales Program for surplus items using commercial Internet Auction Sites. The guide was developed by Savannah River Site and reflects the lessons learned from their pilot program. It is important to recognize that the actual implementation of this program, at a specific site, will require necessary adjustment to this program to meet your operation's requirements or controls.

Synopsis

The following steps summarize the process. Each step is discussed in more detail within the guide:

- Identify the types of items that you have and are going to offer.
- Select an Internet Auction Site that specializes in the items that you have to offer.
- Negotiate a contract with that Internet Auction service provider.
- Get approvals for items to be posted to the Auction Site
- Prepare and Post the items to the Auction site
- Monitor the items that are posted.
- Contact the successful bidder.
- Complete the sale by shipping the item.

There are some pitfalls that need to be addressed:

- Avoid posting items to an Auction Site that is not suited for that type of item or commodity.
- Avoid items that the worth will not outweigh the cost of selling or cost avoidance.
- The terms and conditions and payment of services to the Auction Site may be in conflict with your company's terms and conditions and payment for services.
- Item must go through Export Control reviews before being selected as a candidate for Internet sale.
- Descriptions and keywords are critical to avoid questions from bidders.
- Monitor active Auctions to assure they are selling at an acceptable price.
- Contacting the successful bidder should be prompt and simple instructions provided.
- Make sure shipping terms are clear and concise and shipping methods are flexible.

Keys for success are:

- Selecting items that are attractive to a broad buying audience.

Guide for Internet Auctions

- Selecting the right Internet auction site that will economically and effectively reach your target audience.
- Negotiate a good working contract and build a working relationship with the selected Internet Auction Site.
- Make sure all internal appropriate approvals are complete.
- Gather and post as much descriptive information on the item as possible.
- Make good decisions and be realistic in determining asking prices and minimum bids.
- Be helpful to the successful bidders after the sale and during the shipping process. They may become frequent return bidders.

Detailed Guidance

A. Selecting Items to Auction on the Internet

Item selection is a vitally important component to having a successful Internet Auction program. If the items are not attractive to appropriate bidders, it could be wasting valuable time and effort.

This section will identify how to select items that may do well on an Auction Site. As with selecting the Auction Site, many considerations are required in selection of an item. Items that are surplus may range from new condition to items only worth the material content. Any may be good candidates for an Internet Auction. Correctly categorizing and choosing the right Auction Site in most cases will add up to a successful sale.

The following criteria may be useful to assist in the selection process:

1. Items that are common or attractive to a wide range of diverse buyers.
2. Items that can easily be targeted to a specific audience.
3. Items that can be easily and cost effectively packaged and shipped.
4. Items may be new, used, working or non-working as long as they can be used, reconditioned or salvaged economically.

Note: Items may include:

- a) Consumer electronics
- b) Computer peripherals (excluding items that have media or memory storage capabilities)
- c) Office equipment
- d) Office furniture
- e) Photography, broadcast, audio and video equipment
- f) Electrical, electrical distribution, industrial equipment with related supplies

Guide for Internet Auctions

- g) Industrial equipment such as motors, pumps, valves and processing equipment
- h) Lab equipment such as analyzers, separators, etc.

Items excluded from our Internet Auctions:

- a) Items that have media or memory storage capabilities (without express management approval)
- b) Items that are export controlled
- c) Items that are hazardous (without express management approval)
- d) Items that the shipping and handling costs would make cost prohibited

B. Selecting an Auction Site

The key to success for selling on the Internet is to select the auction site that will attract the largest venue of buyers for a particular item. The various Internet Auction sites offer distinct advantages for selling specific commodities.

This section will identify how to select the auction site that will attract the largest venue of buyers for a particular item. Many considerations are required in selection of a site. As in any other businesses the various Internet Auction sites offer distinct advantages. It is important to identify the types of items that you will be selling accurately categorize your items.

In addition to these considerations, the audience visiting at an Auction Site is also a key determining factor in selecting the Auction Site.

These sites are presented in three primary categories for particular items or commodity types:

1. **Auction sites that specialize in selling everything/anything.** Small quantities or single items are the best candidates for these types of sites. They usually have thousands of items offered for auction. Items need to be relatively common and have good search keywords provided to assist in database searches. These sites often have large audiences with diverse backgrounds (the bidders are normally users of the items for which they are bidding). The seller usually has the ability to post the items with little or no help from the auction site personnel. These items normally receive large numbers of competitive bids. Selling costs are usually minimal.

Guide for Internet Auctions

Examples of Category 1 Auction sites:

www.ebay.com www.bid.com
www.ubid.com www.buy.com

Examples of Category 1 auction site items:

Consumer electronics
Computer peripherals
Office equipment
Photography, broadcast, audio and video equipment

2. **Auction sites that specialize in surplus items.** Large quantities, small quantities or single items do well on these types of sites. The numbers of items that are offered on these sites are significantly fewer than that of the category 1 site. Items should be appealing to businesses (the bidders normally use, resale or recondition and resale the items). Very little, if any, help is normally required from Auction Site personnel to post the items. Although there may be fewer bids, the bids are normally higher. Selling costs are usually minimal.

Examples of Category 2 Auction sites:

www.tradeout.com

Examples of Category 2 auction site items:

Electrical and electrical distribution
Industrial equipment
such as motors,
pumps, valves and
processing equipment.
Industrial equipment
with related supplies
Lab equipment analyzers, separators,
etc.

3. **Auction sites that specialize in selling large quantities or high value items.** These sites usually have fewer items listed, cater to a smaller audience of unique bidders with specialized expertise, and often provide a staff of marketing personnel to assist with the transactions. Although the extra services normally necessitate higher selling costs, the increased returns more than offset those costs.

Examples of Category 3 Auction sites:

www.bid4assets.com www.freemarkets.com
www.tradesite.com www.fairmarket.com

Examples of Category 3 auction items:

Major Equipment
Raw materials/metals

Guide for Internet Auctions

Large quantities of other category items

C. Negotiating a Contract with an Internet Auction Site

Internet Auctions Sites are businesses, and like any business, they have their rules and requirements to protect their interests. They have terms and conditions, forms of payment and registration requirements that may have to be negotiated to the selling of government-owned property.

This section will identify the points of negotiation to be considered. Auction Sites have similarities and differences. Many considerations are required when negotiating a contract to remain within the guidelines of your required conduct of operations. Some points that may be considered are:

Terms and Conditions--The Internet Auction Sites have their own terms and conditions. When registering through their online registration process, the seller is agreeing to their terms and condition. These may be in conflict with your organization's terms and conditions. Any conflicts should be negotiated so that both the seller and the Internet Auction Service are in agreement.

Payments for postings-- An Internet Auction site may be willing to negotiate a better rate for selling if the volume of items is high. The form of payment may also be a consideration. The auction site may not be able to accept some of your site's normal forms of payment (i.e. Procurement cards).

Registration with the Auction Site--Internet Auction Sites usually have an online registration process with step-by-step instructions. Customer service is available for special considerations or concerns that may be unavailable through the online registration process.

D. Internal approvals/guidance to post an item on an Internet Auction

The internal approval/guidance process is crucial. Export control reviews, technical classification reviews and hazardous material reviews are critical to protect the Department, your company, and the general public.

This section will help identify what types of approvals and reviews that may be required. Approvals for an item to be posted to an Internet Auction are as follows.

1. A Technical Review approval from the Classification Office for posting the auction item on the Internet is required.

Note: Information that is to be released on public domains must be approved for release.

2. An approval from the Export Control Reviewer for the Internet Auction item is required. It is highly recommended that any items, which are determined to be

Guide for Internet Auctions

Export Controlled, not be included in the Internet sale process. In addition, check with your company's "citizenship verification" requirement process to assure that item is sold per Export Control requirements.

Note: Items dispositioned to an off site recipient must be reviewed to ensure they have no export control and proliferation sensitivity restrictions.

3. Appropriate (site specific) approval is required for hazardous material.

Note: Hazardous material will have additional requirements for shipping to meet the Department of Transportation rules.

4. Other approvals or reviews specific to your site may be required.

E. Preparation of the item and posting to the Auction Site

Information is valuable. The more information you have regarding an item, the fewer the number of questions, the higher the number of bids, and the higher the percentage of return. Posting an item to an auction site is normally a basic fill-in-the blanks process that both the seller and bidder need to complete for a sales transaction.

This section will identify how to prepare and post the item selected for an internet auction. The information to be gathered is important so that all the pertinent data may be entered. This data usually contains:

1. **Detailed description**---This is a complete description of the item, including information such as brand name, model number, size, and any other distinguishing characteristics. The more information the better, reducing the number of questions that a prospective bidder may ask.
2. **Search Key Words**---Use single words that identify the item and may help prospective bidders find the item during a search of an Auction Site.
3. **Condition Field**---Where the working and physical condition of the item is described (i.e., new, used, working or non-working).
4. **Photo**---A digital image provides a view of the item to bidder, replacing a physical inspection.
5. **Asking (reserve) price**---The minimum acceptable price – once a bid has reached this price, the item must be sold. This price is determined by research and/or experience.
6. **Minimum bid price**---The lowest opening bid allowed.
7. **Selling requirements**---This is where additional requirements that affect the sale are included, such as the required completion of "Citizenship Self-Certification" and the "Export Control and Proliferation Sensitive Property Acknowledgement".

Guide for Internet Auctions

8. **Shipping terms**---This is where shipping responsibilities are noted (free on board, cost and freight etc.).
9. **Payment terms**---This is where payment due is noted (payment in advance, payment on delivery, net 10 days etc.).
10. **Payment methods**---This is where acceptable forms of payment are noted (money order certified check, wire transfer etc.).
11. **Location**---The selling site location is included in this field (example: Savannah River Site at Aiken, SC).
12. **Weight**---The physical weight of the item is included to determine the shipping cost.
13. **Other key information**---Other information may be provided to enhance the item's ability to sell.

After:

- (a) the Auction Site is selected
- (b) the negotiations for the terms and conditions have been finalized
- (c) the payment arrangements made
- (d) registration is complete
- (e) the item selection has been made
- (f) the approvals are complete
- (g) all of the item preparation is finished

The item is now ready for posting to the Auction Site.

To post the item:

1. Establish shipping terms.
(Suggestions)
 - a. FOB at your site – generally for the large quantity or heavy equipment
 - b. You will ship it – generally small items. Estimate typical cost.
2. Establish Asking price. It could be based on the previous history of sales or your best-estimated return value plus the estimated shipping cost, if you plan to ship the item.
3. Establish method by which you will receive the payment.
4. Log on to the selected Auction Site and proceed to the Post Listing portion of their auction page.

Guide for Internet Auctions

5. Follow the online instructions for:
 - a. Categorizing the item (this aids the bidders in finding certain items that they are interested in buying)
 - b. Selecting the type of auction. (the auction site may offer different types of auctions - i.e., first come first serve, highest seal bid and standard auctions)
 - c. Listing the details of the item (this is the information obtained in section E of this guide)
 - d. Choosing the auction time duration
6. Review the posting to ensure that all of the pertinent data has been entered
7. Post the item live on the auction site

F. Monitoring the Auction Process

Monitoring each item posted keeps the seller informed of the number of bids the item has received, or the lack of bids for that item. This also allows editing of posted information to help the item sell, and also enhances preparation for future contacts, shipments, and postings.

This section will identify the monitoring process. Once items are posted live on the Internet Auction Sites and the bidding begins, the monitoring process also begins. This will keep the item from prematurely dropping from the site or missing an acceptable sale.

1. The items will need to be monitored for new bids, repostings, and closing auctions.

Note: If an item is not receiving any bids, this may be an indication that the minimum bid and asking price are too high and may need to be adjusted. The items with no bids or unacceptable bids normally have an option to be reposted to the same Auction Site at no additional cost.

2. Before the item closing date (usually the last day before closing) the item will need to be reviewed for the following:
 - a) Identify items with bids that meet the asking price and that will be awarded.
 - b) Evaluate items with bids that do not meet the current asking price. For those bids that are determined to be acceptable, the asking price may be adjusted to reflect the current bid price. This will allow the item to be awarded at auction closing.

Note: Considerations of cost effectiveness should be the determining factor in the decision as to whether to accept a lower bid (can it be dispositioned through another method with better return results?).

Guide for Internet Auctions

- c) Evaluate items with bids that do not meet the asking price and are not acceptable. These items have an option to be reposted, usually at no additional cost, after auction closing, providing that the asking price is reduced.

Note: Items that do not have successful bidders after reposting may need to be removed from the Auction Site and otherwise dispositioned.

3. The Online Internet Auction Service will send notification that the item auction closed. The successful bidders name and contact information will be provided.

G. Coordinating with the successful bidder after the award

This is usually done electronically through email. The Seller is responsible for making the contact with the successful bidder to arrange receipt of required forms, payment and shipping. After all receivables are verified, the item may be shipped to the successful bidder.

This section will identify how to contact the successful bidder to complete the sales transaction. As with any sales transaction, prompt contact and simple instructions are keys to an expeditious turn around.

The item auction has closed with a successful bidder. The auction site has made contact with both the seller and the successful bidder. It is time to make the final arrangements. This may be done in the following manner.

1. Contact the successful bidder and:

Note: This may be done various ways (telephone/fax, regular mail or email). Experience shows that email is the easiest and most efficient method.

- a) Provide a Citizenship Self-Certification (CSC) form and request that it be completed and returned.
- b) Provide an Export Control and Proliferation Sensitive Property Acknowledgement (ECA) form, and request that it be completed and returned.

Note: The Internet is worldwide. Special arrangements for foreign nationals and international shipments are a major consideration.

- c) Provide item payment requirements.
- d) Request shipping information.
2. Confirm receipt of payment and the proper completion of the required forms (CSC and ECA)
3. Prepare items for shipment.

Guide for Internet Auctions

Note: Internet customers have a wide range of shipping capabilities. Some customers may be companies with transportation capabilities, or transportation accounts, that simplify the shipping process. On the other hand, some customers may be individuals that have no transportation capabilities and require COD shipments.

H. Contacts

For Tradeout.com

We talk with:

Pete Dumpis - Regional Manager, Office Phone 678-494-1755, Cell Phone 678-576-4465
pdumpis@tradeout.com

Our buyer negotiated current contract with: Ken Tallevi 914-479-0611 ext. 2139

For Bid4Assets.com

We talk with:

Haywood Nobles Director Strategic Development 301-562-3430,
hnobles@bid4assets.com

Our buyer negotiated current contract with: David Marchick 301-650-9193

I. Cautions

1. Make sure applicable internal approvals for items and postings are complete.
2. Do not sell High Risk items. (e.g. contaminated, hazardous and export controlled.)

Note: Export control items are identified on the State Department Munitions List (22 CFR 121) and the International Atomic Energy Agency Information Circular (INFCIRC) 254 Part 1 (the Trigger List) and Part 2 (the Dual Use List)

3. Make sure shipping terms are clear and concise.
4. Have a program in place for international shipments.

Significant Lessons Learned

Significant Lessons Learned

- Select the auction site that is best suited to sell the type items that you have.
- If one auction site cannot offer a wide range of customers, use more than one site.
- Use the sites' customer service representatives - they know the business.
- Choose the items wisely. Do not select an item that is not appealing or the cost of listing or shipping will outweigh the item's expected return.
- Some auction sites offer marketing services that help in selling unique or large quantities.
- Use good descriptions and keywords to describe the items. This makes the item easy for bidders to find and dramatically reduces the questions that prospective bidders may ask, and to which you have to respond. The more details the better.
- The use of digital pictures or images and condition statements enhance the auction and reduce questions.
- Internet auction sites offer a wide-ranging audience of diverse buyers. Items that have a normally small audience of local buyers are available to a wider range of buyers.
- Lay out the ground work in regards to:
 1. How to pay for auction site services

2. The terms and conditions - the Auction site that you want to use may have terms and conditions that conflict with your company's terms and conditions (i.e., indemnification)
 3. The methods of payment the buyer may utilize
 4. Who does shipping/handling
 5. How items are to be shipped
 6. Who pays shipping costs
 7. How the shipping costs are to be paid
- When selling items that do not work, or require repair, sell the items in quantities to attract buyers that recondition those items for profit.
 - Give the buyers several options for payments.
 1. Credit card
 2. Wire transfer
 3. Money order
 4. Certified check
 - The items that are that normally suited for Internet sales (i.e., common, highly sought after, working or easily repairable items) are also sought after by the Economic Development group which has screening priority over sales.
 - Items that have low or no bids may be reposted at little or no charge. For example, a camera was listed and received several bids. However, none had reached the asking price (\$200). Instead of lowering the price, the item was reposted for 15 days. The camera sold for \$262.